

Washington Horse Racing Commission
Meeting Minutes
March 14, 2014

The meeting convened at 9:30 A.M. Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Joe Schmick, Legislative Ex-officio Member; Sharon James, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes February 14, 2014.

Commissioner Macomber moved to approve the minutes as submitted. Commissioner George seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Doug Moore announced the retirement of Thelma Lynn longtime Racing Steward and said Ms. Lynn had been employed with the Commission since 1994 starting out as a clocker/identifier making her way to Racing Steward in 2006. He also noted her good work in the industry, starting the Emerald Downs backstretch day care center. Mr. Moore said she will be missed. Chairman Colliton echoed Mr. Moore's comments.

Commissioner Macomber said he'd been fairly busy with medical research and reviewing the information he had received from Dr. Benson with the Racing Medication & Testing Consortium; and had been communicating with other people. He attended the awards banquet and had attended a meeting with MaryAnn O'Connell, WA HBPA representing horsemen, Doug Moore, Executive Secretary and track veterinarians discussing issues regarding medication changes. He felt it went well.

Commissioner George had been assisting in the negotiations with Sun Downs and the Benton County Fair Board. He said with the assistance of Senator Hewitt's office a meeting with Benton County and Sun Downs was trying to be arranged. He'd met with retired Senator Jerry Delvin and talked about getting a lease worked out with the Fair Board. He had also met with Shorty Martin from Sun Downs, regarding their meeting and Mr. Martin is present and will discuss more on this later this morning.

Chairman Colliton said a February 25th telephone conference was held with ARCI board. Chairman Colliton said several medications were discussed. He asked Commissioner Macomber to explain what these medications were. Commissioner Macomber said Tramadol is a narcotic and is regulated by DEA regulations, it is a pain reliever, for soreness. Dr. Macomber said the next medication is Pergolide it is a drug that is used when failure of the central nervous systems, is used for dementia and Parkinson's disease, it was pulled from the market and it is a hard stimulant, and was causing heart attacks. Veterinarians use it in treating Cushing's disease in horses ten to twenty years of age or more. It causes cardiac stimulation in younger horses. Chairman Colliton said the model rules classified it as a Class 3 with Class B penalty. Mr. Moore said the WHRC has not adopted model rule penalties. Commissioner Macomber said there is no withdrawal because it is so minute that there is no way to detect it because they don't know where it is. Commissioner Macomber said one milligram in a horse, which is a very small amount, you'd be shooting in the dark to establish a threshold. One more drug discussed was Cobalt, which is a blood drug, it is a red blood cell stimulant. It is primarily used as a doping agent, and

the biggest problem for the east coast. He said it was available over the counter and it is very difficult to control. It can be given orally and intravenously. He said it was supposedly banned in Olympics.

Item #3 Industry Reports.

- a. Emerald Downs. Mr. Ron Crockett, President, Emerald Downs, said the handle is down due to weather back east; horse field sizes are eroding. He had no explanation for this, he believes the handle at this point in time would be flat or even up if not for the cancellations. Jack Hodge, VP Emerald Downs, said there are 617 horses on grounds down about 100 from last year but similar numbers in 2012 right at this same time. We'll probably be at 6.63 horses per race as in 2012. With Mr. Jeff Metz sending more horses up here to race this year, about 60, but it still doesn't cover local shrinkage. We're looking at less than 1,000 horses participating this year. Chairman Colliton asked Mr. Crockett if he'd heard any news regarding Hastings. Mr. Crockett said they've agreed to fifty-one days of racing, he's not sure what will happen. Chairman Colliton had requested Mr. Bob Fraser, VP Operations for Emerald Downs about the Northern Quest satellite and that he appreciated what had been done, in particular, by adding Charleston and Mountaineer Park to their signals. Mr. Fraser said he was trying them for a couple of months. Mr. Crockett about the Advance Deposit Wagering (ADW) contract situation and that he has no leverage on negotiating the host fees charged.
- b. WAHBPA. MaryAnn O'Connell, Executive Director, WA HBPA said there was nothing to report.
- c. WTBOA. Dana Halvorson, President, reported on the awards banquet and thanked Commissioner Macomber and Doug Moore, Executive Secretary for attending. He said it was a well done event. He reminded everyone of the sale on August 26th right after the Longacres Mile event. He said things are moving along quite well. Chairman Colliton mentioned the award that was given to longtime Spokesman Review journalist, Jim Price. Commissioner Macomber asked Mr. Halvorson about breeding. Mr. Halvorson said not a lot is happening it's too expensive.

Ms. O'Connell said the industry had lost another good owner, Dr. Gary Schmid out of Ellensburg. She said the Gibson's took over his stable and found good homes for his horses with a lot of assistance from Karla Laird, who said they placed the last few just yesterday. Everyone got placed safe.

Item #4. ADW License Renewal - TwinSpires.

Mr. Moore presented the TwinSpires renewal application for 2014 ADW. He said the license runs from April 12, 2014 through April 11, 2015. Originally applied in 2007. Mr. Moore said there is a small change to their Plan of Operation which will be submitted next week. Noting nothing of significance regarding their application, staff recommended approval of the renewal application. Mr. Moore said he had an order here to sign, but pending the approval of an agreement between Emerald Downs and TwinSpires and the change with the Plan of Operation, it would not be disseminated until those are resolved. Mr. Brad Blackwell, TwinSpires, appeared before the Commission and presented the change to the Plan of Operation, which was regarding Americatab when they acquired Youbet in 2008. Mr. Blackwell said they needed to clean up some of the ADWs that were acquired. He said that no Washington customers were initially detected, but there may be some. He said it is not a substantive change it was basically a housekeeping change.

Commissioner George moved to approve the application pending a signed agreement between Emerald Downs and TwinSpires and the approval of to the plan of operation. Commissioner Macomber seconded the motion. Mr. Moore asked Mr. Blackwell to take a look at Keeneland Select, and asked if he could go back and verify there were no Washington residents wagering on that site. Mr. Blackwell said yes. Unanimously approved.

Item #5. Discussion and Update ARCI Model Rules Permitted medications/thresholds.

Chairman Colliton said this discussion is regarding the adoption by the WHRC of the model rule medications and thresholds. He said a meeting with Commissioner Macomber was conducted with Mr. Moore in attendance. Mr. Moore said RMTC recommended 27 substances including environmental contaminants, anabolic steroids and NSAIDS with same thresholds and WHRC. Mr. Moore said Stanozol was removed as it is no longer available except compounded. Seven substances were recommended with different thresholds; and 7 substances not recommended that the WHRC has thresholds on already. A threshold on cocaine (benzoylecgonine), has been established due to contamination from such things as dollar bills. Commissioner Macomber said it was a good discussion with good participation. Also considered the usage of joint applications, as well, and intramuscular injections relating to the use of corticosteroids being used on the track. He said the usage of Dexamethasone and Prednisolone for use in horses that "wash" in electrolyte loss that occurs. It was elected to maintain some slightly different thresholds for the time being until research is cleared up. These two products haven't had significant research data available. When data is published and peer review it would be more amenable to revisit this if the data is conclusive. Mr. Halvorson asked about Omeprazole which is used for ulcers asked why it was on the list. Commissioner Macomber didn't know why, other than it stabilizes ph level from the stomach. Ms. O'Connell said it was a great meeting. She had met with national model rule committee, and said they thought Washington was so lucky to sit at the table with veterinarians and the commission, very productive. She thought we were setting a good example for the whole country. Dr. Mark Babcock said he was pretty pleased and onboard. Dr. Bud Hallowell said there was movement on both sides to give and take. Chairman Colliton said he appreciated all sides. Mr. Moore requested approval to start drafting the rules. Mr. Moore said nothing could be done before June and they would go into effect in July. Mr. Moore said the Board of Stewards with regard to any thresholds that have changed, if a positive occurs, they would be giving warnings that no penalties would be given for a first offense at this time to give trainers and veterinarians time to adapt to the new thresholds.

BREAK. 10:35 A.M. Reconvened 10:45 A.M.

Item #6. Hearing before the Commission.

a. Doug Carlson WHRC 2014-001.

Chairman Colliton opened the hearing at 10:45 A.M. Present was Chairman Colliton, Commissioners George and Macomber; Sharon James, Assistant Attorney General representing the Commission; Doug Moore representing WHRC staff. Mr. Doug Carlson was present and not represented by counsel. Mr. Moore requested twelve exhibits be admitted. With no objections they were admitted. Mr. Carlson admitted Respondent's Exhibit 1 copy of drug treatment completion. Doug Carlson sworn. Doug's closing statement with recommendations for conditions. Testimony was taken. Mr. Carlson was granted a conditional license. Hearing closed.

Item #7. Executive Secretary's report.

- a. Wagering recap (February 2014). Mr. Moore reported the wagering handle down 2.9%; 8.3% down for the race year; and for the month of February down 6.8%.
- b. Monthly Financial report (February 2014). Mr. Moore went over the revenue and expenditures and it was discovered that the figures were exceptionally low due to the reporting of the deposits into the operating account. Mr. Moore has discussed this with our DES accounting department and the deposits will be reported for the day they are deposited no matter when they are reported. Mr. Moore reported the fund balance is \$745,996.
- c. Sun Downs request: Grant request. Mr. Moore said an email request for a grant from Class C Sun Downs meet had been received. Mr. Martin updated the Commission on Sun Downs. Mr. Martin said they will run. There are some stipulations such as; moving the bridge over the race track and the bleacher. The Fair Board required a thirty dollar clean up fee for every horse at the meet, but has agreed to a flat fee of \$3000. Mr. Martin said they will need a water truck and they will need to borrow tractors to pull the harrows. Mr. Martin requested \$25,000 and any other monetary help available. Mr. Moore said based on the WHRC fund balance, we are able to comply with grant request. There is approximately \$79,000 available for purse money. Mr. Moore said the WHRC is able to give Tri City Horse Racing Association \$25,000 to support their race meet and an additional \$5,000 to benefit their purse money. Mr. Moore requested the authority to give \$25,000 and up to another \$5,000, if needed. Commissioner Macomber asked how much has the WHRC has given in the past. Mr. Moore said \$25,000. Commissioner Macomber asked about sponsorship for the meet. Mr. Martin said they do get some supplement from sponsorship. Commissioner Macomber said they need to have more support from the local businesses to assist with funding of the meet. They must put more effort into local support. Commissioner George asked who would have the concessions. Mr. Martin said Tri City will have their own concessions along with the Fair Board having their own concession inside the grandstand at the main kitchen. Mr. Martin said Malon Cowgill has stepped up and is assisting with equipment, etc. Commissioner Macomber asked about Tri City committing for next year as opposed to waiting and negotiating with the Fair Board, so they don't get caught in this situation again. Mr. Martin said Tri City would like to be notified when the lease is discussed be told so they can attend and get their own lease with the County aside from the Fair Board.

Commissioner Macomber moved to approve the grant request of \$25,000 and an additional \$5,000 if the fund balance is available. Commissioner George seconded the motion. Unanimously approved.

Mr. Moore said Mr. Crockett had asked about the health care costs for the WHRC at the last meeting and Mr. Moore said the new costs to the WHRC were about \$2800. Mr. Crockett said thank you.

Item #8. Any other business.

Commissioner George requested approval for a members of the WHRC to attend Sun Downs race meet and included the request to attend Emerald Downs. Commissioner Macomber moved to approve. Chairman Colliton seconded the motion. Unanimously approved.

Sophia McKee, VP Marketing, updated WHRC on the new Emerald Racing Club. Ms. McKee said they are soft launching the new bet emerald program on Saturday. They will be able to test and use the mobile website to identify if any fixes are needed.

Adjourned. 12:05 P.M.

Doug Moore, Executive Secretary

DLM:pb